

Dear Dwayne:

As promised, below are my comments concerning the SREC II program proposal under consideration. I look forward to collaborating with the DOER as it progresses toward a new set of policy initiatives.

1. We're all relieved and pleased that SREC II is being moved forward as expeditiously as possible - this will ensure that the development market for solar does not suffer from the fits and starts that have plagued other markets for renewables.
2. Market segmentation is an important factor. Large systems should not be allowed to unfairly monopolize the available capacity or the available resources. There should be a reasonable mix and the proposed categories look good.
3. With regard to segments, I propose adding the category of solar canopy and put it into the same category as roof-mounted. Existing developed space is being leveraged in the same way as that of a roof-mounted development.
4. The fixed 10 year opt-in term is great.
5. The concept of "managed growth" is a good one in theory. Predictable incentive levels during some specified period of time vs. incentive levels dictated by capacity installed seems cleaner and easier to understand.
6. The concept of specific incentive levels during two year periods (similar to the development cycle of a mid-sized project) vs. a declining incentive based on capacity - which is beyond the control of anyone with a project in the pipeline - seems more aligned with the goal of reducing financial uncertainty.
7. The SREC factor can be used, perhaps in conjunction with the annual targets for solar installed, i.e., determine the adjusted SREC factor associated with the capacity targeted for the end of the compliance year in question. All SRECs qualified during that year would receive the incentive associated with the target level for that category for that year. This provides a much higher degree of certainty from a development standpoint than that of the sliding scale keyed to capacity installed.
8. This "rate certain" SREC also eliminates the management issues created by trying to manage the real-time database of qualified/operating projects and their corresponding SREC factors. It takes the pressure off this reporting and allows it to be tracked and reported monthly vs. daily or weekly.

Overall, the sense is one of relief that there is a new target, that the opt-in term is anticipated to align with the typical term for debt on development projects and that there is a sense of urgency to get these policies into place. It's great to be collaborating with all the stakeholders. Thanks for your continued effort to keep MA in the forefront of energy development.

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Kathy

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